## Opening Statement Senator Byron L. Dorgan Chairman, Democratic Policy Committee

## An Oversight Hearing on the Bush Administration's Plan to Rebuild Iraq's Hospitals, Clinics and Health Care System: What Went Wrong?

Friday, July 28, 2006

Today the Democratic Policy Committee is holding its ninth oversight hearing relating to Iraq contracting.

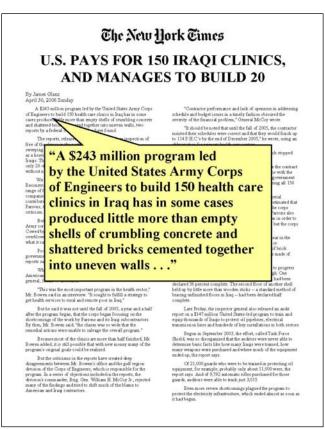
This hearing will focus on one of the Bush Administration's stated goals for the reconstruction of Iraq -- the rebuilding of Iraq's hospitals, clinics, and health care system -- so that we can answer a critical question: what went wrong?

On December 15, 2003, the President hosted half a dozen Iraqi doctors at the White House, and afterward spoke about the great progress being made in delivering health care to the people of Iraq.

In his remarks, the President observed, "I think the budget of Saddam Hussein's government for health was, like \$16 million – less than a dollar per person."

Well, if the measure of health care is how much money is being spent on it, I dare say that Iraqis should be much better off today. But as we will hear today, hundreds of millions of dollars have been squandered in projects that were supposed to improve health care for Iraqis, and have not.

For instance, the Army Corps of Engineers gave the Parsons Corporation a \$243 million contract to build or repair 142 health clinics in Iraq. Three years later, Parsons had spent \$200 million, but completed only 20 clinics.



To make matters worse, as Administration officials used one hand to sign the contract with Parsons, they used the other hand to wave off career professionals who had a real plan for restoring Iraqi health services.

Now, you would think that the standing committees of the Congress would be stampeding to hold hearings about all the waste and bad choices, and figure out what went wrong.

But the reality is that, at the moment, the same political party controls both Chambers of Congress and the White House. Oversight has become a dirty word. And it falls to the Policy Committee, once again, to investigate these issues.

So what went wrong?

The Special Inspector General for Iraq Reconstruction, Stan Bowen, issued a scathing report on this contract, concluding that "lax oversight by the Army Corps is responsible for the failure of the overall program."

The Army Corps of Engineers has taken strong exception to that report, and has instead claimed that Parsons was at fault for the waste of taxpayer dollars. Brigadier General William H. McCoy put it this way: "Contractor performance and lack of openness in addressing schedule and budget issues in a timely fashion obscured the severity of the financial problem."

Here's the translation of that remark into everyday English: "the contractor did a lousy job and covered it up until all the money was gone."

Parsons, for its part, has charged that the Pentagon gave it unrealistic deadlines.

So this is what we are left with: the Pentagon is pointing fingers at the contractor, and the contractor is pointing fingers at the Pentagon. Two hundred million dollars are gone, and the Iraqi people are not getting measurably better health care for it.

The witnesses today will describe, through both testimony and video footage, the conditions at health care facilities that Parsons claimed to have built or refurbished and the current state of Iraq's health care system.

They will also tell us how the Administration came to believe that giving Parsons \$200 million would solve Iraq's health care crisis. In short, they will help us figure out what went wrong, and where we go from here.

Ali Fadhil is an Iraqi doctor who has worked as a translator for the *Financial Times*, National Public Radio, *The New Yorker*, and other news outlets. He visited hospitals and clinics across Iraq in early 2006 to assess the status of the reconstruction of Iraq's health care sector.

Richard Garfield is a Clinical Professor of International Nursing at Columbia University. Dr. Garfield has worked on health sector projects in Iraq since 1996. For the last three years, he has worked in Iraq with UNICEF and the World Health Organization (WHO), and has collaborated with both the CPA and the Iraqi Health Ministry.

Mary Paterson is an Associate Professor in the School of Nursing at Catholic University. In 2003, as an employee of Abt Associates, Dr. Paterson was hired by USAID to oversee the restoration of heath care services in Iraq. .

Hala Al-Sarraf has worked for the World Health Organization in Iraq since 1998, developing projects on primary health care services and childhood illnesses. Currently a Fulbright Scholar at Columbia University's Mailman School of Public Health, she will return to Iraq after completing her degree.

I thank these witnesses for coming forward today.